

07.23.26

2nd Quarter 2026

Earnings Release
Supplemental Information



Safe Harbor

Forward Looking Statements

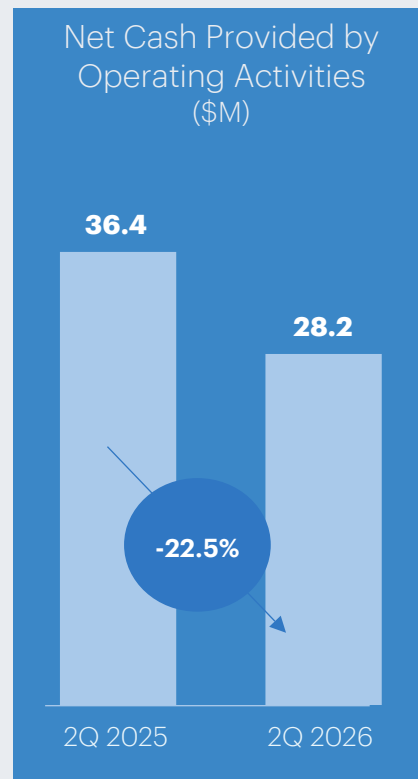
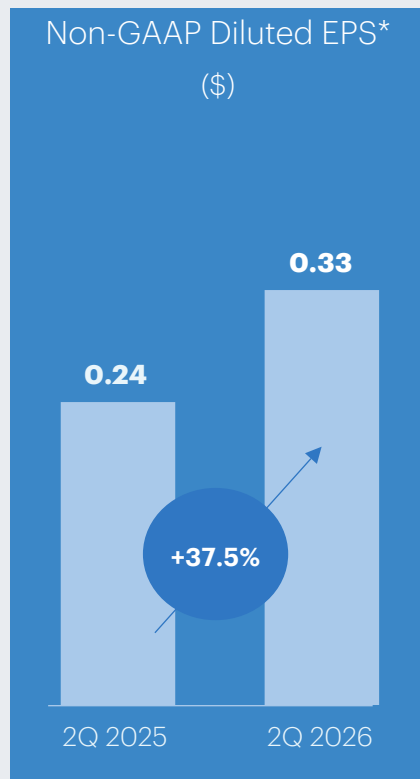
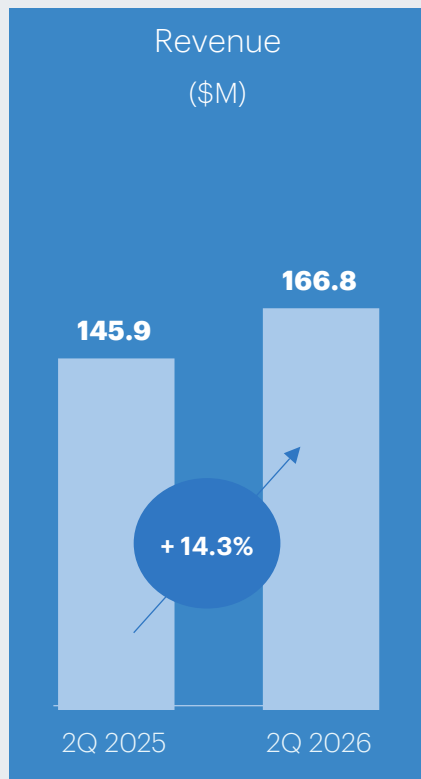
A number of statements in our presentations, the accompanying slides, and the responses to questions on our conference call discussing our quarterly results may constitute forward-looking statements within the meaning of the safe harbor provisions of the United States Private Securities Litigation Reform Act of 1995, such as statements about our future plans, objectives, expectations, financial performance, and continued business operations. The words "believe," "expect," "anticipate," "project," "estimate," "budget," "continue," "could," "intend," "may," "plan," "potential," "predict," "seek," "should," "will," "would," "objective," "forecast," "goal," "guidance," "outlook," "effort," "target," and similar expressions, among others, generally identify forward-looking statements, which speak only as of the date the statements were made. These statements are based on currently available information and the current expectations, forecasts, and assumptions of Knowles' management concerning risks and uncertainties that could cause actual outcomes or results to differ materially from those outcomes or results that are projected, anticipated, or implied in these statements. Other risks and uncertainties include, but are not limited to: fluctuations in our stock's market price; fluctuations in operating results and cash flows; our ability to prevent or identify quality issues in our products or to promptly remedy any such issues that are identified; risks associated with increasing our inventories in advance of anticipated orders by customers; escalating international trade tensions, new or increased tariffs and trade wars among countries; the impact of changes to laws and regulations that affect the Company's ability to offer products or services to customers in different regions; our ability to achieve reductions in our operating expenses; the ability to qualify our products and facilities with customers; our ability to obtain, enforce, defend or monetize our intellectual property rights; disruption caused by a cybersecurity incident, including a cyber-attack, cyber breach, theft, or other unauthorized access (the risk of which could be exacerbated by geopolitical tensions); increases in the costs of critical raw materials and components; availability of raw materials and components; managing new product ramps and introductions for our customers; our dependence on a limited number of large customers; our ability to maintain and expand our existing relationships with leading OEMs in order to maintain and increase our revenue; increasing competition and new entrants in the market for our products; our ability to develop new or enhanced products or technologies in a timely manner that achieve market acceptance; global economic instability, including due to inflation, rising interest rates, or the impacts of geopolitical uncertainties (including the impact of the conflict with Iran); financial risks, including risks relating to currency fluctuations, credit risks, and fluctuations in the market value of the Company; a sustained decline in our stock price and market capitalization may result in the impairment of certain intangible or long-lived assets; market risk associated with fluctuations in commodity prices, particularly for various precious metals used in our manufacturing operation; changes in tax laws, changes in tax rates, and exposure to additional tax liabilities; and other risks, relevant factors, and uncertainties identified in our Annual Report on Form 10-K for the fiscal year ended December 31, 2025, subsequent Reports on Forms 10-Q and 8-K and our other filings we make with the U.S. Securities and Exchange Commission. Knowles disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

Non-GAAP Disclaimer

In addition to the GAAP results included in our presentations, the accompanying slides, and our responses to questions, Knowles has presented supplemental, non-GAAP gross profit, adjusted earnings before interest and income taxes, adjusted earnings before interest and income taxes margin, adjusted earnings before interest, taxes, depreciation, and amortization; adjusted earnings before interest, taxes, depreciation, and amortization margin; non-GAAP gross profit margin, non-GAAP diluted earnings per share, non-GAAP operating expense; free cash flow; and free cash flow margin to facilitate evaluation of Knowles' operating performance. These non-GAAP financial measures exclude certain amounts that are included in the most directly comparable GAAP measure. In addition, these non-GAAP financial measures do not have standard meanings and may vary from similarly titled non-GAAP financial measures used by other companies. Knowles uses non-GAAP measures as supplements to its GAAP results of operations in evaluating certain aspects of its business, and its executive management team focuses on non-GAAP items as key measures of Knowles' performance for business planning purposes. These measures assist Knowles in comparing its performance between various reporting periods on a consistent basis, as these measures remove from operating results the impact of items that, in Knowles' opinion, do not reflect its core operating performance. Knowles believes that its presentation of these non-GAAP financial measures is useful because it provides investors and securities analysts with the same information that Knowles uses internally for purposes of assessing its core operating performance. For a reconciliation of these non-GAAP financial measures to the most directly comparable GAAP financial measures, see the reconciliation tables in the Appendix.

In addition to the foregoing non-GAAP measures, Knowles uses the operational measure book-to-bill ratio to monitor the performance of the business. Book-to-bill represents the ratio of total bookings in a period to total revenue recognized in that same period. Although the book-to-bill ratio reflects received purchase orders, changes such as cancellations, extensions, or amendments may occur which could result in a reduction in orders.

Second Quarter Results



Revenue growth was driven by strong product demand in Precision Devices.

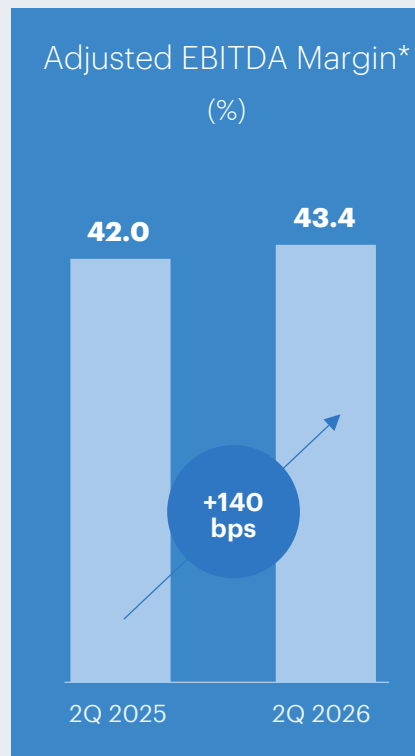
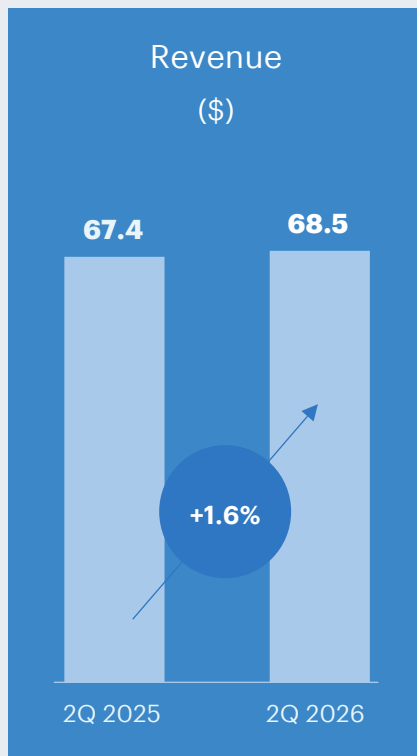
Non-GAAP Diluted EPS growth was driven by higher volume, margin expansion and lower interest expense.

Cash generated by operating activities is lower year over year due to an increase in working capital as we build inventory to support expected demand for our Precision Devices products in the back half of the year.

* For this non-GAAP financial measure, see the Appendix for GAAP to non-GAAP reconciliation

SEGMENT PERFORMANCE

MedTech & Specialty Audio



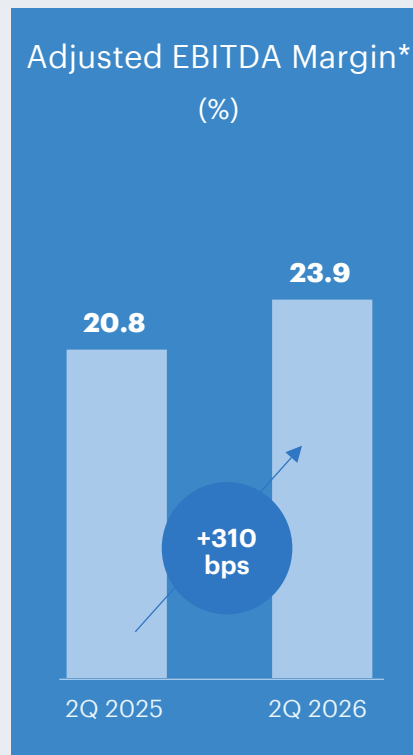
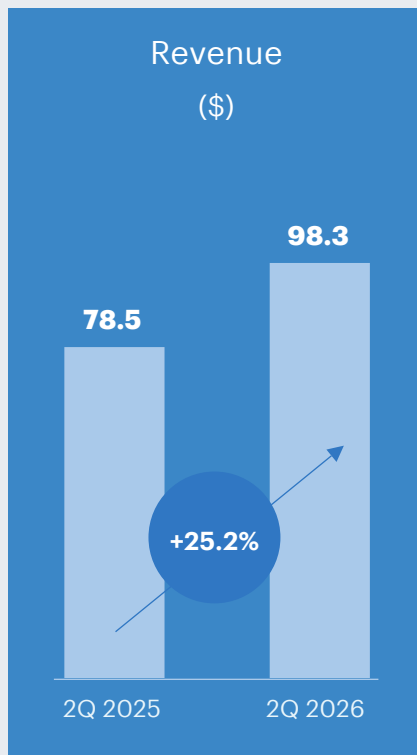
Second quarter revenue growth was driven by higher volumes in hearing health shipments.

Factory productivity gains drove adjusted EBITDA margin growth.

* For this non-GAAP financial measure, see the Appendix for GAAP to non-GAAP reconciliation

SEGMENT PERFORMANCE

Precision Devices



Revenue growth in the second quarter was driven by increased demand for our products across all of our end markets - Medtech, Defense, Industrial and Electrification.

Adjusted EBITDA margin increase was driven by increased production volume and factory capacity utilization as we delivered on strong demand across all markets and products.

* For this non-GAAP financial measure, see the Appendix for GAAP to non-GAAP reconciliation

Third Quarter 2026 Outlook

	GAAP	Adjustments	Non-GAAP
Revenues from continuing operations	\$167 to \$177 million	\$—	\$167 to \$177 million
Diluted earnings per share from continuing operations	\$0.22 to \$0.26	\$0.12	\$0.34 to \$0.38
Net cash provided by operating activities	\$35 to \$45 million	\$—	\$35 to \$45 million
Q3 2026 GAAP Results from continuing operations are expected to include approximately \$0.06 per share in stock based compensation expense, \$0.04 per share in intangibles amortization expense, and \$0.02 per share for differences related to the GAAP effective tax rate. These items are excluded from non-GAAP results.			

Appendix

(continuing operations, in millions, except per share amounts)

	Quarter Ended June 30,	
	2026	2025
Revenues	\$ 166.8	\$ 145.9
Gross profit	\$ 74.6	\$ 60.6
<i>Gross profit margin</i>	44.7 %	41.5 %
Stock-based compensation expense	0.4	0.3
Impairment charges	—	3.6
Restructuring charges	0.1	—
Production transfer costs ⁽¹⁾	0.8	0.2
Transition services credit ⁽²⁾	(0.2)	(0.2)
Other ⁽³⁾	—	—
Non-GAAP gross profit	\$ 75.7	\$ 64.5
<i>Non-GAAP gross profit margin</i>	45.4 %	44.2 %
Operating expenses	\$ 49.9	\$ 45.9
Stock-based compensation expense	(5.8)	(6.0)
Intangibles amortization expense	(4.0)	(4.1)
Restructuring charges	(0.1)	—
Acquisition-related costs ⁽⁴⁾	—	(0.2)
Transition services credit ⁽²⁾	0.1	0.3
Other ⁽³⁾	—	0.3
Non-GAAP operating expenses	\$ 40.1	\$ 36.2
<i>Non-GAAP operating expenses margin</i>	24.0 %	24.8 %
Net earnings	\$ 18.4	\$ 7.8
Interest expense, net	1.7	2.5
Provision for income taxes	4.2	3.5
Earnings before interest and income taxes	24.3	13.8
<i>Earnings before interest and income taxes margin</i>	14.6 %	9.5 %
Stock-based compensation expense	6.2	6.3
Intangibles amortization expense	4.0	4.1
Impairment charges	—	3.6
Restructuring charges	0.2	—
Production transfer costs ⁽¹⁾	0.8	0.2
Acquisition-related costs ⁽⁴⁾	—	0.2
Transition services credit ⁽²⁾	(0.3)	(0.5)
Other ⁽³⁾	0.9	—
Adjusted earnings before interest and income taxes	\$ 36.1	\$ 27.7
<i>Adjusted earnings before interest and income taxes margin</i>	21.6 %	19.0 %

Notes

1. Production transfer costs represent duplicate costs incurred to migrate manufacturing to existing facilities.
2. Transition services represent amounts charged to Syntiant in connection with post-closing transition and separation costs.
3. Other expenses for the three months ended June 30, 2025 include foreign currency exchange rate impacts on restructuring balances. Other expenses for the three months ended June 30, 2026 include foreign currency exchange rate adjustments related to certain balances retained subsequent to the disposal of CMM; these adjustments were not deemed material for 2025.
4. These expenses include ongoing costs to facilitate integration of the Cornell Dubilier acquisition by the Precision Devices segment.

(continuing operations, in millions, except per share amounts)

	Quarter Ended June 30,	
	2026	2025
Net earnings	\$ 18.4	\$ 7.8
Interest expense, net	1.7	2.5
Provision for income taxes	4.2	3.5
Earnings before interest and income taxes	\$ 24.3	\$ 13.8
Non-GAAP reconciling adjustments ⁽⁵⁾	11.8	13.9
Depreciation expense	5.7	5.0
Adjusted earnings before interest, income taxes, depreciation, and amortization ("Adjusted EBITDA")	\$ 41.8	\$ 32.7
Adjusted EBITDA margin	25.1 %	22.4 %
Net earnings	\$ 18.4	\$ 7.8
Non-GAAP reconciling adjustments ⁽⁵⁾	11.8	13.9
Income tax effects of non-GAAP reconciling adjustments ⁽⁶⁾	1.6	0.5
Non-GAAP net earnings	\$ 28.6	\$ 21.2
Diluted earnings per share	\$ 0.21	\$ 0.09
Earnings per share non-GAAP reconciling adjustment ^{(5) (6) (7)}	0.12	0.15
Non-GAAP diluted earnings per share ⁽⁷⁾	\$ 0.33	\$ 0.24
Diluted average shares outstanding	87.9	87.6
Non-GAAP adjustment ^{(7) (8)}	(0.4)	1.3
Non-GAAP diluted average shares outstanding ^{(7) (8)}	87.5	88.9

Notes

- The non-GAAP reconciling adjustments include stock-based compensation expense, intangibles amortization expense, impairment charges, restructuring charges, production transfer costs, acquisition-related costs, and other expenses, partially offset by a credit to transition services.
- Income tax effects of non-GAAP reconciling adjustments are calculated using the applicable tax rates in the jurisdictions of the underlying adjustments.
- In the third quarter of 2025, the Company modified its calculation method of non-GAAP diluted average shares outstanding to exclude the potential dilution impact from performance share units ("PSUs") as these equity awards have not yet been earned. Our PSUs are market-based awards and fluctuate based on the Company's total shareholder return performance relative to the Russell 2000 during the measurement period. The calculation methodology change in non-GAAP diluted average shares outstanding had no impact on non-GAAP diluted earnings per share for the historical period presented.
- The number of shares used in the diluted average shares outstanding calculations on a non-GAAP basis excludes the impact of stock-based compensation expense expected to be incurred in future periods and not yet recognized in the financial statements, which would otherwise be assumed to be used to repurchase shares under the GAAP treasury stock method. Non-GAAP diluted average shares outstanding also excludes the impact of certain equity awards that are not yet earned.



(continuing operations, in millions)

	PRECISION DEVICES					MEDTECH & SPECIALTY AUDIO				
	Quarter Ended					Quarter Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Revenues	\$ 98.3	\$ 85.1	\$ 89.7	\$ 88.2	\$ 78.5	\$ 68.5	\$ 68.0	\$ 72.5	\$ 64.7	\$ 67.4
Gross profit	\$ 38.2	\$ 31.9	\$ 35.0	\$ 35.7	\$ 30.0	\$ 36.3	\$ 36.2	\$ 37.4	\$ 34.1	\$ 30.4
Gross profit margin	38.9%	37.5%	39.0%	40.5%	38.2%	53.0 %	53.2 %	51.6%	52.7%	45.1%
Stock-based compensation expense	0.3	0.3	0.2	0.1	0.2	0.1	0.2	0.2	0.2	0.1
Impairment charges	—	—	—	—	—	—	—	—	—	3.6
Restructuring charges	0.1	0.3	0.1	0.2	—	—	—	—	—	—
Production transfer costs	0.8	0.9	0.7	0.6	0.2	—	—	—	—	—
Non-GAAP gross profit	\$ 39.4	\$ 33.4	\$ 36.0	\$ 36.6	\$ 30.4	\$ 36.4	\$ 36.4	\$ 37.6	\$ 34.3	\$ 34.1
Non-GAAP gross profit margin	40.1%	39.2%	40.1%	41.5%	38.7%	53.1 %	53.5 %	51.9%	53.0%	50.6%
Research and development expenses	\$ 5.3	\$ 6.1	\$ 5.1	\$ 5.1	\$ 5.0	\$ 5.3	\$ 5.6	\$ 5.4	\$ 5.0	\$ 5.1
Research and development expenses margin	5.4%	7.2%	5.7%	5.8%	6.4%	7.7 %	8.2 %	7.4%	7.7%	7.6%
Stock-based compensation expense	(0.1)	(0.9)	(0.2)	(0.3)	(0.3)	(0.5)	(0.6)	(0.5)	(0.4)	(0.5)
Intangibles amortization expense	(0.6)	(0.6)	(0.7)	(0.6)	(0.7)	—	—	—	—	—
Non-GAAP research and development expenses	\$ 4.6	\$ 4.6	\$ 4.2	\$ 4.2	\$ 4.0	\$ 4.8	\$ 5.0	\$ 4.9	\$ 4.6	\$ 4.6
Non-GAAP research and development expenses margin	4.7%	5.4%	4.7%	4.8%	5.1%	7.0 %	7.4 %	6.8%	7.1%	6.8%
Selling and administrative expenses	\$ 18.8	\$ 18.1	\$ 17.6	\$ 16.0	\$ 16.6	\$ 4.8	\$ 4.6	\$ 4.5	\$ 4.1	\$ 4.4
Selling and administrative expenses margin	19.1%	21.3%	19.6%	18.1%	21.1%	7.0 %	6.8 %	6.2%	6.3%	6.5%
Stock-based compensation expense	(1.0)	(1.0)	(0.7)	(0.7)	(0.7)	(0.7)	(0.9)	(0.6)	(0.6)	(0.9)
Intangibles amortization expense	(3.4)	(3.4)	(3.4)	(3.4)	(3.4)	—	—	—	—	—
Acquisition-related costs	—	—	(0.2)	0.1	(0.2)	—	—	—	—	—
Non-GAAP selling and administrative expenses	\$ 14.4	\$ 13.7	\$ 13.3	\$ 12.0	\$ 12.3	\$ 4.1	\$ 3.7	\$ 3.9	\$ 3.5	\$ 3.5
Non-GAAP selling and administrative expenses margin	14.6%	16.1%	14.8%	13.6%	15.7%	6.0 %	5.4 %	5.4%	5.4%	5.2%
Operating expenses	\$ 24.2	\$ 24.3	\$ 23.1	\$ 21.2	\$ 21.6	\$ 10.1	\$ 10.2	\$ 10.0	\$ 9.1	\$ 9.5
Operating expenses margin	24.6%	28.6%	25.8%	24.0%	27.5%	14.7 %	15.0 %	13.8%	14.1%	14.1%
Stock-based compensation expense	(1.1)	(1.9)	(0.9)	(1.0)	(1.0)	(1.2)	(1.5)	(1.1)	(1.0)	(1.4)
Intangibles amortization expense	(4.0)	(4.0)	(4.1)	(4.0)	(4.1)	—	—	—	—	—
Restructuring charges	(0.1)	(0.1)	(0.4)	(0.1)	—	—	—	(0.1)	—	—
Acquisition-related costs	—	—	(0.2)	0.1	(0.2)	—	—	—	—	—
Non-GAAP operating expenses	\$ 19.0	\$ 18.3	\$ 17.5	\$ 16.2	\$ 16.3	\$ 8.9	\$ 8.7	\$ 8.8	\$ 8.1	\$ 8.1
Non-GAAP operating expenses margin	19.3%	21.5%	19.5%	18.4%	20.8%	13.0 %	12.8 %	12.1%	12.5%	12.0%

(continuing operations, in millions)

	PRECISION DEVICES					MEDTECH & SPECIALTY AUDIO				
	Quarter Ended					Quarter Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	June 30, 2025
Revenues	\$ 98.3	\$ 85.1	\$ 89.7	\$ 88.2	\$ 78.5	\$ 68.5	\$ 68.0	\$ 72.5	\$ 64.7	\$ 67.4
Operating earnings	\$ 14.0	\$ 7.6	\$ 11.9	\$ 14.5	\$ 8.4	\$ 26.2	\$ 26.0	\$ 27.4	\$ 25.0	\$ 20.9
Other expense (income), net	0.1	—	—	0.2	0.2	(0.1)	—	—	—	(0.1)
Earnings before interest and income taxes	\$ 13.9	\$ 7.6	\$ 11.9	\$ 14.3	\$ 8.2	\$ 26.3	\$ 26.0	\$ 27.4	\$ 25.0	\$ 21.0
<i>Earnings before interest and income taxes margin</i>	14.1%	8.9%	13.3%	16.2%	10.4%	38.4 %	38.2 %	37.8%	38.6%	31.2%
Stock-based compensation expense	1.4	2.2	1.1	1.1	1.2	1.3	1.7	1.3	1.2	1.5
Intangibles amortization expense	4.0	4.0	4.1	4.0	4.1	—	—	—	—	—
Impairment charges	—	—	—	—	—	—	—	—	—	3.6
Restructuring charges	0.2	0.4	0.5	0.3	—	—	—	0.1	—	—
Production transfer costs	0.8	0.9	0.7	0.6	0.2	—	—	—	—	—
Acquisition-related costs	—	—	0.2	(0.1)	0.2	—	—	—	—	—
Adjusted earnings before interest and income taxes	\$ 20.3	\$ 15.1	\$ 18.5	\$ 20.2	\$ 13.9	\$ 27.6	\$ 27.7	\$ 28.8	\$ 26.2	\$ 26.1
<i>Adjusted earnings before interest and income taxes margin</i>	20.7%	17.7%	20.6%	22.9%	17.7%	40.3 %	40.7 %	39.7%	40.5%	38.7%
Operating earnings	\$ 14.0	\$ 7.6	\$ 11.9	\$ 14.5	\$ 8.4	\$ 26.2	\$ 26.0	\$ 27.4	\$ 25.0	\$ 20.9
Other expense (income), net	0.1	—	—	0.2	0.2	(0.1)	—	—	—	(0.1)
Earnings before interest and income taxes	\$ 13.9	\$ 7.6	\$ 11.9	\$ 14.3	\$ 8.2	\$ 26.3	\$ 26.0	\$ 27.4	\$ 25.0	\$ 21.0
Non-GAAP reconciling adjustments	6.4	7.5	6.6	5.9	5.7	1.3	1.7	1.4	1.2	5.1
Depreciation expense	3.2	2.6	2.5	2.5	2.4	2.1	2.2	2.1	2.1	2.2
Adjusted earnings before interest, income taxes, depreciation, and amortization ("Adjusted EBITDA")	\$ 23.5	\$ 17.7	\$ 21.0	\$ 22.7	\$ 16.3	\$ 29.7	\$ 29.9	\$ 30.9	\$ 28.3	\$ 28.3
<i>Adjusted EBITDA margin</i>	23.9%	20.8%	23.4%	25.7%	20.8%	43.4 %	44.0 %	42.6%	43.7%	42.0%

(continuing operations, in millions)

	Quarter Ended				
	June 30, 2026	March 31, 2026	December 31, 2025	September 30, 2025	Trailing 12-months
Net earnings	\$ 18.4	\$ 11.3	\$ 25.5	\$ 18.0	\$ 73.2
Interest expense, net	1.7	1.5	1.8	2.3	7.3
Provision for (benefit from) income taxes	4.2	(0.3)	4.1	4.3	12.3
Earnings before interest and income taxes	24.3	12.5	31.4	24.6	92.8
Stock-based compensation expense	6.2	10.4	6.0	5.9	28.5
Intangibles amortization expense	4.0	4.0	4.1	4.0	16.1
Restructuring charges	0.2	0.2	0.6	0.3	1.3
Production transfer costs	0.8	0.9	0.7	0.6	3.0
Acquisition-related costs	—	—	0.2	(0.1)	0.1
Transition services credit	(0.3)	(0.5)	(0.3)	(0.5)	(1.6)
Dividend income	—	—	(6.2)	—	(6.2)
Other	0.9	2.6	(0.3)	(0.3)	2.9
Non-GAAP reconciling adjustments	11.8	17.6	4.8	9.9	44.1
Depreciation expense	5.7	5.2	5.1	5.0	21.0
Adjusted earnings before interest, income taxes, depreciation, and amortization ("Adjusted EBITDA")	\$ 41.8	\$ 35.3	\$ 41.3	\$ 39.5	\$ 157.9

(in millions)

Current maturities of long-term debt

June 30, 2026
\$ —

Long-term debt

131.0

Total debt

131.0

Less: Cash and cash equivalents

(49.6)

Net debt

\$ 81.4

Net debt

\$ 81.4

Trailing 12 Month Adjusted EBITDA

\$ 157.9

Net debt leverage ratio

0.5 x



Thank you.

